

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

DOCKET FILE COPY ORIGINAL

APR 12 1996

FCC 96-93

In the Matter of

)

)

Federal-State Joint Board on
Universal Service

)

CC Docket No. 96-45

)

NOTICE OF PROPOSED RULEMAKING AND
ORDER ESTABLISHING JOINT BOARD

COMMENTS OF
THE NEBRASKA RURAL DEVELOPMENT COMMISSION

The Nebraska Rural Development Commission respectfully submits its reply comments in this phase of the Commission's deliberations on universal service.

I. Background on the Nebraska Rural Development Commission

The Nebraska Rural Development Commission (NRDC) was created in 1991 by Executive Order 91-1 of Governor E. Benjamin Nelson and was placed in statute in May 1993 with the passage by the Nebraska Legislature of LB 190. The Commission's purpose is to foster sustainable community and economic development initiatives, to enable Nebraska communities to realize their own goals, thereby contributing to the growth and well-being of the entire state. The Commission members are diverse in their geographic location within the state; are representative of all types of business, agricultural and community interests; and, are dedicated to support and advocacy for rural Nebraska by proposing solutions to rural challenges.

The Commission is affiliated with the National Rural Development Partnership (NRDP), a national partnership of states and the national government to support effective development throughout rural America. The Commission also is affiliated with the Nebraska Development Network, a partnership of over 400 public and private organizations and over 5,000 individuals committed to supporting community-based development in Nebraska.

The Nebraska Rural Development Commission is not tied to any telecommunications company or any organization which represents telecommunications companies. The Nebraska Rural Development Commission represents rural citizens and communities, the users of information technology.

049

II. Comments of the Nebraska Rural Development Commission

A. Quality services should be made available simultaneously in urban and rural areas. The Nebraska Rural Development Commission strongly recommends that nationwide standards of use be applied in measuring the availability of quality services. Measurements should include: (1) timely accessibility to service, (2) flexibility of services provided, (3) access to quality services at affordable rates.

B. Those nationwide standards should include the element of universal service. Innovative strategies to overcome market challenges and to organize demand so that rural areas are not ignored should be encouraged and supported. However, no clear alternative to universal service funding to achieve these goals is apparent at the present time. The Nebraska Rural Development Commission supports the continued use of the Universal Service Fund for promotion of universal service in rural areas. The Universal Service Fund is valuable to high cost LECs in the recovery of additional revenue from the interstate jurisdiction, particularly the USF program's provisions to transfer revenue requirement from the intrastate to interstate jurisdiction to allow companies to decrease their intrastate rates.

C. Access to information technology is most important in rural areas because of isolation created by the barriers of time and distance. A higher standard for access in rural areas needs to be used to ensure there are no deficiencies in access for business, personnel, health care, education and governance. Any standards or benchmarks should take into account that the quality of services and response to customer demand in rural areas are often more essential than in urban areas.

D. The Nebraska Rural Development Commission encourages equitable and nondiscriminatory access to quality telecommunications service needs from all providers of telecommunications services to achieve the goal of universal service.

E. Special monitoring procedures or feedback mechanisms should be set in place to determine the actual impact of deregulation upon the rural end user. These procedures and mechanisms should be designed to evaluate developing situations and provide more immediate input from the rural perspective on sufficient standards of access. This special monitoring is vital to ensure that the universal service funding mechanisms are effective and to ensure that there is not an occurrence of "have nots" in rural areas.

In addition to these procedures and mechanisms, a specific review and examination of deregulation and the effectiveness of universal service mechanisms should be conducted at least once every two years by the FCC.

F. Local access to universal service at affordable rates is fundamental for elementary and secondary schools and other educational sources, for health care providers, and for public safety to rural areas. The Nebraska Rural Development Commission strongly supports the principle and encourages development of policies which will support access to advanced telecommunications services for these needs, and as a means of making a contribution to the economy.

G. In rural areas, including small rural communities, access to basic service is still a priority need and a goal to be attained. These core services should receive universal service support: (1) voice grade access to the public switched network, with the ability to place and receive calls; (2) touch-tone; (3) single-party service; (4) access to emergency services (911); and (5) access to operator services. Universal support mechanisms should be developed to ensure that the following services are available in rural areas: Internet access availability, data transmission capability, Signalling System Seven capability, basic wireless and broadband service capabilities.

H. The Nebraska Rural Development Commission supports the development of incentives for collaborative approaches within the national and international marketplace. Partnerships built through collaboration will encourage workable solutions and enhance the development of telecommunications in rural areas. Nebraska is considered one of the top states in the country in telecommunications infrastructure development. This is the result of collaborative efforts between the telephone industry, the State of Nebraska, and other entities.

I. The Nebraska Rural Development Commission supports the use of DEM weighting in recognition that the cost per dial equipment minute is higher in smaller central offices than it is in larger central offices and that toll usage requires more equipment than local usage. Allowing LECs with fewer than 50,000 access lines to apply a weighting factor to their interstate DEM which increases the interstate DEM, resulting in more local switching investment being allocated to the interstate jurisdiction, is beneficial to rural providers and to their end user customers.

J. The Nebraska Rural Development Commission supports Link-up America and Lifeline programs as crucial support programs for rural LECs and their subscribers. The Link-up America program through which qualified subscribers can obtain a reduced telephone service installation charges and payment for that charge over time is of significant benefit to rural subscribers, as is the Lifeline program's rate reductions or assistance for monthly SLC.

K. The Nebraska Rural Development Commission supports the policy of geographic rate averaging for both interstate and intrastate toll rates. The policy of geographic rate averaging has benefited many rural areas and it is essential that any new national policy preserve this concept to ensure all Americans have access to toll services at reasonable rates.